

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 2769-03
Bill No.: SB 754
Subject: Exhibition Center & Recreational Facility District Act
Type: Original
Date: January 12, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*** This proposal is permissive and requires voter approval.**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government*	\$0	\$0	\$0

* This proposal is permissive and requires voter approval.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of State Treasurer** assume no fiscal impact.

Officials of the **Department of Revenue** assume no fiscal impact to the Department of Revenue.

Oversight assumes this proposal is permissive and would require voter approval before any fiscal impact would be realized by the state or the new district. If the voters would approve the creation of an Exhibition Center and Recreation Facility District and approve a sales tax to operate the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. **The collection fee would be deposited in the State's General Revenue Fund.**

Certain counties would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax, and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable.

FISCAL IMPACT - State Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

GENERAL REVENUE FUND

Income to Department of Revenue
 1% sales tax collection fee.

\$0 or Unknown **\$0 or Unknown** **\$0 or Unknown**

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

**EXHIBITION CENTER AND
 RECREATION FACILITY
 DISTRICT FUND**

Income to Exhibition Center and
 Recreation Facility District
 from voter approved sales tax

\$0 or Unknown \$0 or Unknown \$0 or Unknown

Cost to Exhibition Center and Recreation
 Facility District
 from operation and maintenance of the
 dist.

\$0 or
(Unknown) \$0 or
(Unknown) \$0 or
(Unknown)

**ESTIMATED NET EFFECT TO
 EXHIBITION AND RECREATION
 FACILITY DISTRICT FUND ***

\$0 **\$0** **\$0**

***Oversight assumes costs would not exceed income resulting in either an annual positive fund balance or a zero fund balance.**

FISCAL IMPACT - Small Business

Small businesses within the newly created district would have to collect and remit additional sales taxes to the Department of Revenue.

DESCRIPTION

This act creates the "Exhibition Center & Recreation Facility District Act". The act enables citizens of Camden, Miller, and Morgan counties to petition to create an exhibition center & recreation facility district. At least fifty property owners in the county must sign the petition.

The petition must include the petitioners names, a description of the district's boundaries, and the name of the proposed district. Once the petition is filed, the governing body may approve a resolution to the create the district. Following a public hearing, the governing body may adopt an order establishing the proposed district.

A board of trustees is created to administer any district created and the expenditure of revenue that accompanies such district. The governing body of each county within the district shall appoint four residents from the portion of the county within the district to serve on the board. At least one member of the board shall be the owner of a business in the district and at least one member shall be the owner of a lodging facility in the district. Two of the members of the board must reside in the district. The board will have the power to have a seal, sue and be sued, enter into contracts or other agreements affecting the affairs of the district, to borrow money, to issue bonds, to acquire and dispose of real and personal property, to refund bonds without an election, to manage the affairs of the district, to hire agents, and to amend and adopt bylaws.

The district may submit to its voters a sales tax of up to one-quarter of one percent. The act includes ballot language to that effect. The act also includes the creation of a fund to receive such sales tax revenue and instructs the Director of the Department of Revenue to authorize disbursements to the district. The tax would be reduced automatically to a rate of one-tenth of one percent after twenty-five years unless an extension is voted upon by the voters in the district. This act makes a technical change to delete the requirement that the Treasurer make the disbursements in the case of an overpayment, as such is not required for non-state funds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Treasurer
Department of Revenue

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NOT RESPONDING

Camden County Commission
Miller County Commission
Morgan County Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 12, 2004